

## Give Us Credit Program Term Sheet

PURPOSE	
<p>Give Us Credit is a new SONYMA pilot program aimed to address disparities in mortgage lending in underserved markets, especially in communities of color. Give Us Credit:</p> <ul style="list-style-type: none"> <li>• Reimagines the metrics and standards used by SONYMA to evaluate who is creditworthy.</li> <li>• Considers non-traditional forms of income and assets in evaluating “ability to pay”.</li> <li>• Decreases the minimum tradeline requirements and allows for more consideration for those recovering from past financial hardship.</li> <li>• Leverages other HCR programs, where possible, to increase down payment assistance.</li> </ul> <p><b>NOTE: To be considered for the Give Us Credit program, a borrower must not be able to obtain a regular SONYMA loan approval.</b></p>	
MAIN FEATURES OF PROGRAM	
Interest Rate:	SONYMA Low Interest Rate or Achieving the Dream Program rate, whichever is applicable.
Loan Term:	30 years.
Borrower Points:	None required.
Rate Lock Period:	120 days for existing properties; 240 days for new construction or short sales
Maximum Lender Compensation & Allowable Fees:	2% of loan amount. Lenders will be paid an additional .5% for any loan originated with a SONYMA Down Payment Assistance Loan (DPAL) and an additional .5% if the borrower is using either the RemodelNY or Neighborhood Revitalization Program. As with traditional SONYMA financing, Lenders may charge up to \$900 in ancillary fees.
Down Payment Assistance Loan (DPAL):	<ul style="list-style-type: none"> <li>• Loan amount is the greater of \$7,500 or 3% of the home’s purchase price plus financed renovation costs, up to \$15,000.</li> <li>• May be used to pay all or a portion of a one-time mortgage insurance premium at closing.</li> <li>• Interest rate on first mortgage will be .375% higher, except when using the Homes for Veterans, Energy Star or Graduate to Homeownership add-on programs.</li> <li>• “Soft” second mortgage:               <ul style="list-style-type: none"> <li>○ 10-year term.</li> <li>○ Requires no monthly payment.</li> <li>○ Must be in second lien position.</li> <li>○ Bears no interest.</li> </ul> </li> <li>• Subject to possible recapture.</li> </ul>
Eligible Borrowers:	Owner occupied only. Borrowers must be first-time home buyers, a US military veteran (excluding those dishonorably discharged) or be purchasing a home in a federally designated targeted area.
Loan Purpose:	Purchase or Purchase Rehabilitation Mortgage.
Maximum Household Income:	Regular SONYMA Income Limits (see <a href="https://hcr.ny.gov/preparation-eligibility">https://hcr.ny.gov/preparation-eligibility</a> )

Eligible Property Types, Loan Limits, Max LTVs, Minimum Borrower Contribution:	Property Type	Loan Limit	Max	Minimum Contribution
	1-2 Units & Condos	Up to \$548,250 \$548,251 - \$600,000 \$600,001-\$750,000	97% 95% 95%	1% of Purchase Price 1% of Purchase Price 3% of Purchase Price
	Cooperatives	Up to \$750,000	95%	3% of Purchase Price
	3-4 Units	Up to \$548,250 \$548,251 & Up	95% 90%	3% of Purchase Price 5% of Purchase Price
Maximum CLTV:	None.			
Eligible Communities:	Must be in New York state.			
Purchase Price Limits:	Regular SONYMA Purchase Price Limits (see <a href="https://hcr.ny.gov/preparation-eligibility">https://hcr.ny.gov/preparation-eligibility</a> ).			
Pre-Closing Homebuyer Education & Counseling Requirements:	Required for all borrowers. Landlord counseling required for all 2-4 family properties. For more information, see <a href="https://hcr.ny.gov/preparation-eligibility#homeownership-counseling">https://hcr.ny.gov/preparation-eligibility#homeownership-counseling</a> .			
Credit Underwriting:	<p>Standard SONYMA Credit Underwriting applies, except as described below. Certain restrictions may apply. Loan applications will be evaluated on their overall layers of risk.</p> <ul style="list-style-type: none"> <li>• Tradeline Requirements: <ul style="list-style-type: none"> <li>○ 3 tradelines with 12 months of documented payment history; or</li> <li>○ 12 months of rental history (may be verified using VOR from a management company, Venmo, PayPal, money orders, etc.; no private VORs); or</li> <li>○ No tradelines and no rental history is acceptable if 35/40 max DTI and 2 months reserves.</li> </ul> </li> <li>• Late Payments on Tradelines: <ul style="list-style-type: none"> <li>○ Up to 1 x 60 if 12 months with on-time rental payments or 1 month of reserves; or</li> <li>○ Up to 2 x 30 if 12 months with on-time rental payments or 1 month of reserves.</li> </ul> </li> <li>• Tradelines may be paid using a credit card that is paid off monthly.</li> <li>• 2 years from discharge or 4 years from dismissal of bankruptcy.</li> <li>• 3 years from foreclosure (or 1 year in the event of a catastrophic illness, accident, or other non-repeatable tragedy with no prior late payments prior to the hardship).</li> <li>• Collection accounts: <ul style="list-style-type: none"> <li>○ Medical collection accounts do not need to be paid.</li> <li>○ Accounts less than \$250 do not need to be paid. The aggregate of those accounts cannot exceed \$1,000.</li> </ul> </li> </ul>			

<b>Reserve Requirements:</b>	<p>Standard SONYMA Reserve Requirements apply, except as described below. Certain restrictions may apply. Loan applications will be evaluated on their overall layers of risk.</p> <ul style="list-style-type: none"> <li>• 2 months reserves for 2-4 family properties.</li> <li>• 1-month reserves permitted with 12-month rental history and existing tenants in place for 6 months.</li> </ul>
<b>Seller Concessions:</b>	<p>Standard SONYMA Seller Concessions apply, except as described below. Certain restrictions may apply. Loan applications will be evaluated on their overall layers of risk.</p> <ul style="list-style-type: none"> <li>• 3% for &gt;90% LTV (6% permitted if no DPAL and 12 months rental or 3 tradelines with 12-month history); or</li> <li>• 6% if &lt;=90% LTV.</li> </ul>
<b>Eligible Assets:</b>	<p>Standard SONYMA Eligible Assets apply, except as described below. Certain restrictions may apply. Loan applications will be evaluated on their overall layers of risk.</p> <ul style="list-style-type: none"> <li>• After borrower's minimum cash contribution requirement is met, cash on hand permitted of 50% of monthly qualifying income, up to \$5,000. Cash on hand is defined as unsourced/unseasoned funds.</li> <li>• Loans from family members permitted for down payment and closing costs if borrower has met their minimum cash contribution requirement (payment must be included in ratios).</li> <li>• Use of Non-Traditional Shared Savings Arrangement payouts prior to closing for reserves with documented contribution of 50% of payout. These arrangements include sou-sou, pardna, tanda, hui, ayuuto, cundinas, pandeiros, eMoneyPool.com, PayPal, MoneyPools, etc.</li> <li>• Gift of Equity:             <ul style="list-style-type: none"> <li>○ Accepted from family members or estate of relative, with documented 12-month history of borrower's residency at subject property.</li> <li>○ Gift of Equity accepted from immediate family members, regardless of borrower's residency.</li> <li>○ Borrowers must continue to meet SONYMA's minimum contribution requirement unless the gift of equity results in an LTV of 80% or less.</li> </ul> </li> </ul>

<b>Eligible Income:</b>	<p>Standard SONYMA Eligible Income guidelines apply, except as described below. Certain restrictions may apply. Loan applications will be evaluated on their overall layers of risk.</p> <ul style="list-style-type: none"> <li>• 12 months overtime may be used if overtime is common to the profession (e.g. nurse, municipal employee, etc.).</li> <li>• Boarder Income: <ul style="list-style-type: none"> <li>○ Can be up to 30% of qualifying income.</li> <li>○ Documentation of shared residency for the past 12 months.</li> <li>○ Documentation of boarder’s rental payments for the past 12 months. If unable to document, no more than 50% of the boarder’s monthly income (which must be documented) can be used for qualifying.</li> <li>○ Borrower should have demonstrated an ability to pay rent in an amount within 25% of their proposed mortgage payment for 12 months.</li> </ul> </li> <li>• Accessory Unit Income: <ul style="list-style-type: none"> <li>○ An accessory unit is a separate dwelling (as identified by the appraisal) with a kitchen and bathroom.</li> <li>○ Income generated from a legal accessory unit can be considered.</li> <li>○ Landlord counseling and 25% vacancy factor required.</li> <li>○ Will accept appraisal market rent calculation or real estate broker opinion on rental income.</li> </ul> </li> </ul>
<b>PMI:</b>	<p>PMI is required when LTV exceeds 80% of the appraised value. Loans are underwritten and insured by SONYMA Mortgage Insurance Fund.</p>
<b>Post-Closing Early Delinquency Intervention Counseling Requirement:</b>	<p>Required in the event of a delinquent (1 x 60) mortgage payment post-closing.</p>

**APPLICATION PROCESS**

1. Homebuyers must be under contract to purchase a home in an eligible county.
2. Homebuyers must apply through a SONYMA participating Lender offering the Give Us Credit program.
3. Loan must be underwritten and approved by the SONYMA Mortgage Insurance Fund.
4. Borrowers meeting requirements for SONYMA bond programs should be provided with traditional program disclosures at borrower application.

For more information, contact SONYMA by calling (800) 382-HOME (4663) or emailing [GUC@nyshcr.org](mailto:GUC@nyshcr.org).